

How Fast-Fashion Apparel Stores are able to Operate Sustainably in New Global Economy

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Abstract- *In this modern era, it is vital for all retailers to have a set of knowledge to come up with efficient plans in order to enhance customers' purchasing behaviour when comes to handling patrons from all over the world. In this paper, we will talk about the different type of marketing strategies that are applied to fast-fashion industries so that they are able to survive in terms of going into globalization. This paper also explains the purpose and goals of fast-fashion industries as well as how they keep their customers loyally towards their brand.*

Keywords- *Fast-fashion; Apparel store; Sustainability; Global economy*

1. INTRODUCTION

Fashion has always been a crucial element in everyone's lives especially to represent one's identification and differentiation in each individual. Therefore, when a society or culture significantly changes in the decades, so does the fashion (Walker, 2010). Nevertheless, not only keeping up to date on the trends of fashion is important but also when going internationally, globalization is needed to meet the needs and wants of customers around the world. When an apparel store goes worldwide, it leads to cultural mix and hence the industry must always keep an eye and adapt on the cultural differences that includes sex, race, social class, religion, values and many more. A move in the cultural values, consumer preferences, and purchase intentions towards designer products is arguably the most critical issue faced by the marketing managers today (Rajagopal, 2010). Fast-fashion is basically used to describe the quick movement of designs taken from a fashion show catwalk to the store near you by updating to the latest trend (James, 2013). As you can see nowadays there are many highly sophisticated fast-fashion industry that are competing neck and neck in order to strive to achieve their highest profit whilst trying their best to adapt to different culture as well as maintaining their brand image or so called 'signature brand'. In this case, a particular brand is able to have a competitive advantage when they create their own unique product by making it look appealing compared to others (Deschamps, 2012). For example, Zara and H&M are both international well-known retailers, which have an amazing brand reputation in creating apparels product. This has allowed them both to easily penetrate to most of the countries in the world because of their brand image that they had already sustained in the past decade. For instance, Zara's market focuses more towards formal clothes with a medium price tag compared to H&M that provides apparel products with casual theme in lower price (EK, 2011); still, both are able to sustain and are nominated as one of the top apparel

stores in the world due to the fact that they have successfully used product differentiation and adaptation. Till now, H&M have opened 3200 stores worldwide in 54 countries while on the other hand Zara has 2000 stores located across 88 countries (Petro, 2012).

2. LIFESTYLE

The key element in the fast-fashion segment is to make fashion affordable. To achieve success, it involves strategic partnerships that put brand within this segment to offer the masses produce fashion to be at an appropriate and well affordable price (Joy.A, et al, 2012). To accomplish this key element, the brands in this fast-fashion sector must take communication strategy and brand partnership into spotlight. Example of the leading brand apparel stores such as Zara and H&M, they both uses one or more of the following techniques such as the use of social media, creation of applications, collaboration with designers, charity partnership and fashion shows (Lynn, Bennett, & Joines, N.d.). The reason behind all these techniques is to keep customers lock up with the brand and its offerings at all times. This does not only done through its marketing strategy through most of all the communications levels but it is also used to ensure the product availability are always present and to be up to date to the current fashion catwalk trend.

3. MARKETING MIX

In most outlets of retail stores, many retailers use the concept of 4ps strategy to sell the right merchandise at the right price, in the right place and at the right time ("The Marketing Mix," N.d.). Hence, industries especially fast-fashion apparel stores usually come up with this plan by keeping themselves progress in the right track.

3.1 Product

In this segment, they cover not only womenswear but also menswear, childrenswear, footwear and accessories as well. (Euromonitor International, 2012). This method was

to bring a greater advantage as they would increase their revenue since the quantity and choices of products are greater. Their main reason of this method was to achieve their goal by selling reasonable apparels at the same time targeting all types of market regardless of his sex, race, status and so on.

3.2 Price

Everything that fast fashion retailer sells are fairly affordable to all types of social class; hence, the prices of the products should be technically low-to-mid market. For instance, the pricing of Topshop apparels is stated below:-(Durland, T, et al, N.d.)

- Lowest Sale Price - \$4
- Highest Sale Price - \$360
- Lowest Regular Price - \$35
- Highest Regular Price - \$680

Nevertheless, some of the pricing scheme of Topshop was set at higher rate as this forms a brand dilution within the fashion pyramid by making fast fashion influence upon other segments.

3.3 Place

During the early 1990s, this segment only started to focus on wholesale channels; then it slowly moved towards retail channels and e-commerce after the market has changed and fast-fashion was on the lead (Bhardwaj & Fairhurst, 2010). In this fast paced society, everyone is already familiar about the Internet. Thus, the Internet is the easiest way to reach to consumers about any continuous online promotions there are available (Bredholt, 2013). Moreover, retail stores also have done so many significant store strategies that have led them to become more successful. One of the examples is Zara's oil stain strategy. The details of the shop are highly concentrated. Its shop windows were elegantly laid out and the shop attendants were nicely groomed and classy. In order to keep the customers hooked loyally, the stores have different products displayed every few days after the doors are opened (Roy, 2010). Besides that, every retailer tends to start their business approximately two stores in a country their interested so that they can learn about the market. After gathering up all the information that has gotten from the consumers, retailers will make a decision whether to expand their market to worldwide, thereby providing them with beneficial first hand information and a first mover advantage by having the capability to immediately go into a new market if they see its opportunity (Durland, T, et al, N.d.). Mainly, there are two things that retailers usually look into whenever they are increasing their market, which is whether there is any potential customer demand and not to mention the strategic store location.

3.4 Promotion

Since this segment's targets are mainly aimed on the younger digital generation, brands can rely mostly on the Internet and fashion-forward promotion strategy. Therefore, they use ways such as smart phone applications to give promotions, updating on the social media constantly about the upcoming sales as well as doing

virtual runways like ASOS.com. The method behind this whole promotion techniques were not only to make sure that there is a two-way relationship between the product and the customer but most vitally that the customer has the choice to shop on his or her favourite look whenever they are interested to. Availability becomes as important as affordability for this segment (Durland, T, et al, N.d.).

4. GROWING STRATEGY

As we go through the growing strategy of fast-fashion industry, by all means we can use Zara as the representative for this segment due to the fact that it has been proven the pioneer of fast fashion industry and also slice its way through the competitors swiftly (Hansen, 2012). This result was obtained by Roy (2010) where Zara was listed as the 'Coca Cola' of fast fashion world. Zara main focuses were to provide medium quality clothing at an affordable price. This enables customers to keep up with the fashion without any difficulties if they were to compare with other luxury brands (Ghemawat & Nueno, 2006). This is possible because Zara owns the supply chain from A to Z (Factory to Retailer). By using vertical integration, Zara managed to keep up to the product line by extending it every season, rapid turnover rate and information technology (Giannetto, 2013). Besides, using vertical integration consents Zara pricing strategy to outshine its others competitors by providing medium quality clothing line at a reasonable price, also producing up to date fashion dress without customers spending beyond their budget. The reason why Zara set their pricing at medium price was because many brands in this fast-fashion section may face criticism on their merchandise for being low quality since it is cheap, but this is one of the issues that retailers tend to avoid. In addition, Zara also uses disposable fashion as a key point to be success, where they tend to bring in controlled stocks for every merchandise (Kwan, 2011). This is a brilliant method as customers are attracted by its marketing strategy where they fight for the product against time (Business Week, N.d.) After the market are all sold off, it would not be produced anymore and hence, this does not only allow customers to keep an eye on the product but also making the product look exclusive and limited. By doing so, customers will be engaged to the store at all times whenever they are looking for a certain product. This strategy would be beneficial too because the company is able to lower its manufacturing cost by producing limited amount of clothes. Furthermore, designers and store managers work closely to each other to recognize the differences in culture, seasonality and climate in each market. This is how globalization comes into view as different countries has different perspective on fashion and culture point of view, which will affect the sustainability of a particular product.

5. BRAND DIFFUSION AND RISING E-COMMERCE

If the society and culture changes eventually, fashion will also be changing as well (Walker, 2010); resulting in fast-fashion industry must be able to learn to adapt it immediately or it will be left out. In this case, the fashion industry now has able to develop and expand worldwide by making the concept of fashion to diversify. Often, we can find the fashion industry to be always expanding and changes its segmentation of market in terms of customers, competitors and distribution channels (Durland, T, et al, N.d.). Consumers would be given more choices, not only by brand but also type of products; hence, this forces brands to focus on product differentiation in order to compete with other competitors with competitive advantages characteristics. This is to offer unique attractive products to a large consumer base, meaning to say worldwide customer. Besides that, when there is a bigger way to success, it means that competitors are always up to date to keep a fight on us to gain profit; therefore, brands must learn to be economic driven in a way to price the products based on economy factors and also balancing operating management (“Global Strategic Management,” 2010). Consequently, each of the brands must learn to strategize its plan properly in order to maintain the effectiveness of its brand, while drawing consumers worldwide. On the other hand, the trending of shopping online also gives way to a new dimension of marketplace, which allows the online shoppers to enjoy the e-commerce functions. This can be proved in the United States alone, 60% of the population are purchasing clothes online and 45.1% are introducing new webs feature to their friends and family (Gelberg, 2014). This platform enables cross segmentation of worldwide markets and not to mention it will also lead to promoting its brand by using innovative tools for marketing; for example, social networking and supply chain management such as IT software (Rankins, 2014).

6. CO-BRANDING

Co-Branding is also one of the essential ways to improve a retailer’s profitability. According to an article, H&M has been proven to be the head of co-branding due to the fact that the director of H&M was wise enough to collaborate with Chanel’s Creative Director, Karl Lagerfeld (Hennes & Mauritz AB, 2013). Nonetheless, even though Karl Lagerfeld does not really support the idea of limiting the quantities of the product, the collection was still a big accomplishment as they have sold out everything as soon as they open the items for sales in 20 test stores across Europe. More than that, H&M also collaborated with few more famous designers, which are Versace, Stella McCartney, Viktor & Rolf and others (“H&M Through The Years,” 2013). Another good example of a successful industry in co-branding is Topshop. They do partnership with Google and Youtube Company to allow them to live stream as well as communicate with their customers by allowing them to access its London Fashion Week show

“from the perspective of a model, buyer, designer, make-up artist, or celebrity” (Durland, T, et al, N.d.).

7. DISCUSSION

Taking responsibility of running a fast-fashion industry is not as easy as it sounds like. Every retailer must be very cautious when comes to making a critical decision for the company’s performance. Before doing any changes or expansion of a particular store, retailers must be very certain whether the amount of details or information gotten from the customers is able to sustain in a new global economy. Unfortunately, if the decision was made recklessly without enough consideration, there is a high chance that the company will be at risk of failing, or even worse doubling the loss of a company’s revenue. Besides that, since fast-fashion’s aim is to make fashion affordable for everyone, it is also crucial to meet the needs and wants of customer’s expectation. There is no use for a store to maintain good merchandise pricing if the products do not meet what customers seek for their preferences. Therefore, picking the right products to sell in different countries is vital because every customer worldwide has different perspective depending their culture in terms of age, gender, status, religion, values and many more. With the right product sold that caters to all type of consumers, company will surely achieve maximum profit in the long run. As the literature review above, the different type of effective marketing strategies that fast-fashion used has definitely improved customer’s behaviour towards apparel stores. For instance, strategic partnership strategy, 4Ps strategy, vertical integration strategy and etc has gave a bigger advantage for the firm to survive, grow and expand more markets in the world profit after profit. However, it is tough for all fast-fashion apparel stores when comes to competing with each other as there are too many markets in every country. Hence, each firm should come up with their own innovative ideas and strategies if they want to keep up with the competition of the never-ending fashion industry. By all means, a successful company is achieved when they fully understand consumer’s desire and responding with appropriate products. The marketers have focused on using several plans, such as attention to the social media, usage of sales tracking data, focus group and many more to determine consumer preferences. By doing so, the results were given to the manufacturer and designers to improve and alter on certain changes that should be made (“Fashion Industry,” 2014). All these methods were crucial to take as they are the roots of an industry’s goal.

8. CONCLUSION

After the research and literature review have been done, it is proven that all fast-fashion industries do put in a lot of effort in order sustain in globalization. Fast-fashion industry also changes fashion from time to time in order to keep up to customers shifting consumer behaviour. Given fashion is a really important aspect in life, it is not an easy

task to keep up with consumers needs as there are various sizes, shapes, colours, types and etc which consists of varieties in fashion. Therefore, it is up to the fast-fashion industries to open the minds of consumers by having more trending fashion shows. In this case, fast-fashion industry are able look at what consumer's needs and wants; thus, catering to them. On the contrary, there are few suggestions of ideas that could be handy to enhance their performance in the future. Firstly, being environmental friendly by doing corporate social responsibility is always a smart option in creating a better image for consumer. It is not only beneficial to the company's reputation but also a great opportunity to encourage people to do something valuable to mother earth and the society. For example, donating clothes that are off-season to the poor or orphanages, using recycle plastic bags and switching off lights during earth hour. Moving on, there are often controversies on child labour, which I strongly do not agree with. By demolishing these major disputes, all of the retailers are able to sustain a steady growth in the industries with doing good deeds to the nature and mankind.

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